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C O N F I D E N T I A L ANKARA 006095

SIPDIS

E.O. 12958: DECL: 10/06/2015

TAGS: [ETRD](#) [PREL](#) [TU](#) [IZ](#)

SUBJECT: SOMO ARREARS TO TURKEY REACH \$668 MILLION

REF: A. ANKARA 3842

[B](#). BAGHDAD 2845

[C](#). KIMMEL-BURGER EMAIL 10/6/05

Classified By: Acting DCM Thomas H. Goldberger for reasons 1.4 (b) and (d).

[1](#). (C) MFA Coordinator for Iraq and Afghanistan Reconstruction Amb. Koray Targay called in A/DCM Oct. 6 to report that arrears owed to Turkish companies by the Iraqi State Oil Marketing Organization (SOMO) for humanitarian fuel for the Iraqi people had reached U.S.\$ 688 million. In total, SOMO owes Turkish companies \$820 million, but only \$688 million are in arrears (45 days past product delivery). Targay requested that we bring this issue to the ITG's attention, as we have done in the past (refs a and b). He noted that while the GOT will continue to urge the Turkish petroleum companies to continue to ship product, some of these companies are medium-sized and will experience cash-flow and product quality problems soon. "We would appreciate it if Iraq could reduce the amount" of the arrears, Koray said.

[2](#). (C) We understand (per ref c) that the ITG is aware of the situation. While Koray did not take a "hair on fire" approach to this issue, we are not sanguine that Turkish firms can keep the oil flowing indefinitely unless these arrears are addressed, at least in part.
MCELDOWNEY